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DD/A 81-1170/1

4 JUN 1981

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: Harry E. Fitzwater  
Deputy Director for Administration

SUBJECT: Cost Reduction and Efficiency

REFERENCE: Multiple Addressee Memorandum from the DCI dated  
2 June 1981, Same Subject (ER 81-1367)

1. This memorandum confirms our discussion of 2 June concerning both Administration Directorate and Agency initiatives in the areas of cost reduction and efficiency. As we discussed I have created within the Administration Directorate an executive level working group called CORE (Cost Reduction and Efficiency), composed of my eight deputy office directors, to assist me in an initial in-depth review of the efficiency with which DDA offices provide administrative and support services to the Agency at large. The CORE Working Group is also charged with identifying those areas where both DDA components and non-DDA components elsewhere in the Agency are providing duplicative services, e.g., graphics and micrographic support. I understand and appreciate the urgency with which you want the issue of cost reduction and efficiency attacked. I believe it will take me at least sixty days to complete this initial review as outlined above. At the completion of this initial effort I propose to present my findings and recommendations to you and respond to your direction therefrom.

2. In response to your question concerning a total Agency review, we discussed the creation of an Associate Deputy Director working group, to include the Agency Comptroller. This group would accomplish at the Agency level the same kind of a cost reduction and efficiency review that I am performing internally to the DDA. I would suggest that the four Associate Deputy Directors and the Comptroller, each providing their own staff support, identify in some detail a host of discrete activities presently being performed, complete with the identification of positions and dollar resources presently being expended, across the Agency. Having identified these discrete activities the Associate Deputy Directors should then go on and explore both the efficiency with which these activities are performed and the relevancy that they have to the present Agency intelligence

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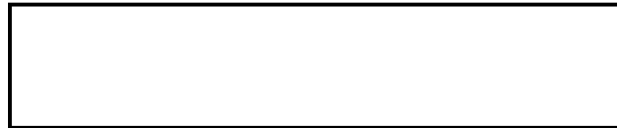
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mission. The product of this effort should be a series of recommendations to you through the Executive Committee that address areas where increased efficiency can be accomplished or where discrete activities that are presently being performed no longer have sufficient relevancy to be continued in this era of reduced federal expenditures. I would suggest that you give this working group 120 days to complete its effort but require that within the first 30 days of being established they detail for your approval the manner in which they would propose to satisfy your charge. It seems to me that the more you formalize their charter and the more you formalize their reporting requirements the more you will improve the likelihood of achieving significant results.

3. I intend to provide you with interim reports on the progress that I am achieving in reviewing internal Administration Directorate activities. Included in this interim reporting will be summaries of cost reducing and efficiency enhancing efforts that have been taken by my recent predecessors. My first report will be forwarded to you before 9 June 1981. Please be assured that I share with you an absolute commitment to continue--and indeed intensify where appropriate--your philosophy of insuring that the Agency become a lean but highly effective organization.

STATINTL



Harry E. Fitzwater

Topic	Associated Officer(s)	Date of Initiation	Completion Date	Action
O/IHSA Studies	--	2/23	--	Funds requested for 81, 82, 83: 3/02 Partial funds available 4/17. Mod in-process to NIEPS prgm. Procurement.
Establishment of O/IHSA	Bill Hart	2/24	3/16	Issuance of HN <input type="text"/> STAT
CI's MIS °Feasibility	Bruce Johnson	3/06	3/24	Recommended implementation on CMASS system by ORD. DDCI referred to NFAC for comments. Note to DDA re NFAC comments 5/04.
Centralizing S/W Applications Development	Bruce Johnson	3/12	--	Date request memo 3/17. Responses due 3/30. DDS&T has delayed their rescheduled 4/17 delivery. STAT
<input type="text"/> Program	<input type="text"/>	3/24	STAT --	Began exploration of commonality with CRAFT. Reviewed contractor props for 2 studies.
Micrographics Consolidation	Jim McDonald	3/24	--	Initiating memo 3/24. Data Survey and OL Strategic planning for micrographics begun 4/17.
IHS Training °Requirements	<input type="text"/>	3/27	STAT ---	Tasking memo 4/10. Product due 6/15. Reviewed effort 4/23.

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DDA CHECK LIST FOR IHSA

Topic	Associated Officer(s)	Date of Initiation	Completion Date	Action
CRAFT				
°System Requirements	Bill Donnelly, IMS	1/21	--	Meetings: 1/21, 1/22, 2/26, 3/17, 3/25, 4/02, 4/06. Note to Donnelly, 2/13 Re concern & need for Systems Requirements document. Memo to Donnelly on SAFE architecture 5/01--strongly neg. WRT office automation formulation.
SAFE				
°Design	Bruce Johnson	2/09	4/03	Meetings: 2/09, 2/25, 3/19, 4/03, 4/21, Mtg w/DDA, ADDA, ODP:
°Status a/o PDR		4/21		TRW Mgt audit changed to Technical and Mgt audit. TRW awards for DDO SAFE program dropped.
Payroll/Finance System	Ed Sherman Bruce Johnson	2/11	--	Meetings: 2/11, 2/12, 2/25, 2/27, 3/05: 6mth Spec Des effort begun. Interim rpt 5/23. Final rpt Oct. 3/14: Review and comment on State's Phase I rpt by one contractor.
NFAC Scientific IHS Organization & Support	R.H. Hineman, NFAC	2/17	--	Memo recommending STAP review rec'd 2/17. Withdrawn 3/13 as immediate action item.
		2/17	--	Reviewed Proposal Executive summaries
IHSA Staffing	STAT	STAT	--	Slots requested 2/26 Vacancy notice for Deputy closed 4/13. O/IHSA slots request w/ job descriptions. Interviews in progress. Deputy selected 4/29.

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Topic	Associated Officer(s)	Date of Initiation	Completion Date	Action
Implementation of IHS Approval Authority	Jim McDonald	4/07	4/17	IHSA to receive all IHS form 2420's for systems from procurement for signoff. IHSA added to ACRB as advisor.
Revision of ODP's HR <input type="checkbox"/>	Bruce Johnson	4/22	--	Developing revised draft to reflect IHSA responsibilities.
Issue HN re Leasing Interim WP Equipment	Bruce Johnson Jim McDonald	5/01		Initial draft for vetting completed 5/01.
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9 June 81

## Proposed CORE Schedule

